



Downtown Center Business Improvement District

BOARD OF DIRECTORS MEETING MINUTES July 21, 2011

Board of Directors

Eric Bender, Barbara Bundy, Robert Cushman, David Damus (via conference call), Sauli Danpour (via conference call), Kathy Faulk, Joseph Flueckiger, Frank Frallicciardi, Robert Hanasab, Steve Hathaway, Suzanne Krier, Anne Peaks, Peklar Pilavjian, Carol E. Schatz, Patrick Spillane, Daniel B. Swartz, Susann Ventzke, Cari Wolk

Absent

Sonny Astani, Sandy Nam, Colin Shepherd, Cindy Troesh, Peter Zen

Staff

Hal Bastian, Jeff Chodorow, Gennia Cui, Randall Ely, Rachel Forman, Jacob Holloway, Connie Hwang, Aleeza Miller, Herman Pang, Justin Weiss

Special Guest

Steve Gibson, Urban Place Consulting Group, Inc.

CALL TO ORDER

Spillane called the meeting to order at 8:11 a.m. with a quorum.

PROPERTY OWNER/PUBLIC COMMENT PERIOD ON AGENDA ITEMS

Spillane opened the meeting to the public for comments, in which there were none.

ELECTION OF NEW BOARD MEMBERS

Schatz introduced the two nominees to the DCBID Board:

Sauli Danpour, Xyvest Holdings
Suzanne Krier, MPG Office Trust

A motion was made, seconded, and approved to elect the nominees to the DCBID Board.

APPROVAL OF MINUTES

A motion was made, seconded, and approved to accept the minutes from the Board meeting on June 8, 2011.

PRESIDENT'S REPORT

Schatz introduced Rachel Forman, Interim Director of Marketing, to the Board members who were not in attendance at the DCBID Renewal Committee Meeting on July 13, 2011. Forman was the first Director of Marketing of the DCBID when it was first formed, and has been filling in since the departure of Alex Stettinski.

The "Summer Nights – Discover Downtown LA" campaign is ongoing. Nine hotels have partnered with restaurants and entertainment venues to feature special summer packages featured on www.downtownla.com.

CCA is holding a special briefing on July 29 at 8:00 a.m. with the General Manager of the LADWP to discuss the proposed rate increases that may go before City Council at the end of July. Approximately 50% of the increases are related to environmental mandates. Property owner input would be appreciated. The other driver of the power rate increase is the issue of once-through cooling. The State Water Resources Board passed a requirement for the LADWP to convert all of its power plants along the ocean to cease once-through cooling operations, which would have cost the LADWP over \$2.2 billion by 2020. The LADWP was able to obtain an extension of this deadline.

The Fifth Annual Dog Day Afternoon at the Cathedral is scheduled for July 26, 2011. Over 500 dogs and almost 900 people are currently registered.

The Public Safety Appreciation BBQ is scheduled for September 30, 2011 at 7th & FIG. The proceeds will benefit the Los Angeles Fireman's Relief Association.

The Downtown Demographic Survey has been completed and is being prepared for release to the press. The DCBID's PR Firm is working on creative ideas for release, so an official release date is not yet available.

Tim Leiweke and Dennis Allen organized a trip with six or seven of the largest property owners in the DCBID to Portland to see its successful streetcar project. The DCBID took a position to oppose the proposed Downtown Los Angeles Streetcar unless certain conditions were met, such as changes in the route, how the assessment is voted on, and removing the requirement for the private sector to pay for the operation of the streetcar.

FINANCE COMMITTEE REPORT

Faulk reported:

The DCBID Finance Committee reviewed the April 30, 2011 and May 31, 2011 financial statements thoroughly. Once the June 30, 2011 financial statements are completed, will change the format of the financial statements to reflect how the actual budget compares with the forecasted budget.

A motion was made, seconded, and approved to accept the April 30, 2011 and May 31, 2011 financial statements as presented.

DCBID MANAGEMENT PLAN – RENEWAL 2013

Schatz and Ely reported:

The Board needs to review and approve the Management Plan for submittal to the City Clerk. Petitions go out in November, but the goal is to get them out in October. The ballots will go out in late January or early February.

There may be some minor changes in the total aggregate square footage of the district, which would result in a difference of \$2,000 - \$5,000 of the total assessment submitted to the City Clerk. Parcels are currently being reviewed.

The four main program areas of the DCBID remain the same: Clean/Safe, Economic Development/Marketing, Special Projects, and Administration/Management.

The Management Plan assures a carryover of the \$500,000 reserve every year.

There is an addition of \$35,000 in additional assessable square footage with the addition of 15 parcels on South Hill Street to round out the district boundaries.

The assessment methodology language was clarified as related to parking.

Currently, the City has imposed a policy on all of the BIDs that does not allow them to deviate 10 percent on line items. The DCBID will recommend shifting the limit to 15 percent, because it will allow the BIDs to adapt to changing circumstances.

New language is included to address the development of new properties and rehabilitation of existing properties, as well as to set up an appeals process for property owners who question the assessment methodology.

The DCBID had an outreach meeting in June with some of the largest property owners in the district. Most supported the four percent assessment rate increase for 2013.

In the current Management Plan, there is a methodology for assessing parking structures that has not been enforced. The proposed Management Plan removed the threat of future enforcement of this assessment.

If the proposed Management Plan is approved, the Board is approving an assessment increase of four percent for 2013 and the option for a maximum of five percent assessment increase for each subsequent year. Those increases must be voted on by the Board each year.

Concerns were expressed regarding the five percent assessment increase for each year, especially with the upcoming LADWP rate increases.

A question was raised regarding the distinction between Zone 1 and Zone 2 of the district. The properties in Zone 1 generally have their own exterior services, and the DCBID's services to those properties are mainly ancillary. The properties in Zone 2 use more of the DCBID's resources.

David Damus made a motion to accept the DCBID Management District Plan, as presented to the Board. The motion was seconded and approved by the Board.

Spillane reminded the Board members that DCBID staff will be asking for assistance in doing outreach to property owners for both the petition and the ballot.

Once the Management Plan is approved by the City Clerk's office, the DCBID will begin marketing the renewal.

OLD BUSINESS

No old business was brought up.

NEW BUSINESS

No new business was brought up.

ADJOURNMENT

The next meeting is tentatively scheduled for Thursday, September 1, 2011, at 8:00 a.m. The meeting was adjourned at 9:01 a.m.